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May 24, 2004

File No 20910-101-60

BY HAND DELIVERY

Marlene H Dortch, Secretary
Federal Communications Commission
c/o Natek, Inc
236 Massachusetts Avenue, NE, Suite 110
Washington, DC 20002

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MAY 24 2004

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

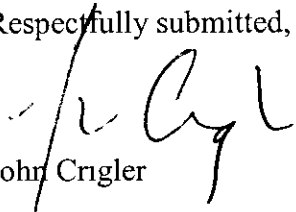
**Re: In the Matter of the Commission's Rules Regarding Modification of
FM and AM Authorizations (RM-10960)**

Dear Ms Dortch.

Transmitted herewith, on behalf of Station Resource Group, are the original and four copies of its Comments in connection with the above-captioned Petition for Rule Making.

Please refer any questions concerning this matter directly to this office.

Respectfully submitted,


John Crigler

JC:gr
Enclosures

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

RECEIVED

MAY 24 2004

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Amendment of the Commission's Rules
Regarding Modification of FM and AM
Authorizations

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MB Docket No.
RM - 10960

To: Chief, Allocations Branch
Policy and Rules Division
Media Bureau

Comments of Station Resource Group

Station Resource Group ("SRG") respectfully submits these comments in response to the above-captioned Petition for Rulemaking (RM-10960) (the "Rulemaking"), submitted by First Broadcasting Investment Partners, LLC ("First Broadcasting").

SRG is a membership organization of many of the nation's leading noncommercial educational ("NCE") broadcasters. SRG's 47 members operate 168 public radio stations, produce the majority of public radio's national programming, and account for one-third of public radio's audience.

Discussion

SRG applauds First Broadcasting's efforts to simplify the Commission's rulemaking processes, to reduce the backlog of FM rulemakings, and to make additional frequencies available for service to the public. SRG would, however, like to comment on one of the proposals made by First Broadcasting in the Rulemaking. First Broadcasting has proposed that the Commission establish a simplified procedure to remove "non-viable" allotments from the FM table of allotments. Rulemaking, p.19.

Although SRG agrees with First Broadcasting's impression that the existing procedures are unnecessarily cumbersome, SRG believes that changes of the sort proposed by First Broadcasting should be based on more than an impression. First Broadcasting asserts that "many" of the existing FM allotments have remained vacant since their inception "decades ago." Rulemaking, pp.19, 20

Less impressionistic data would have been more valuable. First Broadcasting nowhere states how many allotments are vacant, or for how long they have remained so. Similarly, First Broadcasting offers little or no basis for its conclusion that the allotments are "non-viable." Rulemaking, p.19. This conclusion seems to be based on an assumption that only commercial broadcasters will have an interest in these allotments. ("Absent a certain population density in or around the community, even the largest and most established broadcast owners will not build a station because advertisers will not pay them to reach so few people." Rulemaking, p. 20.) First Broadcasting apparently does not consider the fact that vacant allotments may be of interest to nonprofit entities as a means of extending service to areas that may not have a sufficient advertising base to support a commercial station.

Even if First Broadcasting's analysis of the problem were entirely accurate, the solution it proposes would not be entirely desirable. To clear the FM Table of Allotments "of these perpetually vacant allotments," First Broadcasting proposes that the FCC should : "(i) include all vacant FM allotments in a single upcoming auction; (ii) delete those allotments that are not purchased at auction; and (iii) delete any allotment that is purchased but then not built out during the first three-year construction period Rulemaking pp.21-22.

SRG is most concerned with the first of these proposals. The process for auctioning broadcast channels has not been smooth or swift. After years of stops and starts, the first open

FM auction, Auction 37, is now scheduled for November 3, 2004. Nothing in First Broadcasting's proposal should interfere with that schedule. The "single upcoming auction," referred to by First Broadcasting must not be Auction 37

Second, it may not be wise to require staff to "include all vacant FM allotments" in a single auction. It is difficult to endorse such a proposal without knowing how many allotments "all vacant allotments" actually are. Requiring that all vacant allotments be auctioned in a single auction could deprive FCC staff of discretion they may need to decide the appropriate number of frequencies to be included in any given auction. By appearing to clean out the pantry, the FCC could inadvertently create panic based on an artificial "last chance" for spectrum. An orderly march of regular auctions is preferable to one, big stampede.

Finally, SRG does not believe that any allotment not purchased in a single auction should automatically be deleted. Auction 37 will provide more information about whether frequencies that serve small communities are "non-viable," as First Broadcasting claims, or whether such frequencies will now attract bidders. While it is certainly true, as First Broadcasting maintains, that large communities more easily support a commercial station, it does not follow that a small community can be disregarded for purposes of a Section 307(b) analysis.

Conclusion

SRG believes that First Broadcasting's proposal to simplify the procedure for removing vacant allotments from the FM Table of Allotments requires further study. It would be useful to know how many such allotments exist, and how long the allotments have remained vacant. In addition, it would be useful to know whether allotments for sparsely populated communities are "non-viable," as First Broadcasting claims, or whether even such frequencies attract bidders. Nothing should delay Auction 37, or the useful information it will provide on these issues.

Respectfully submitted

STATION RESOURCE GROUP

May 24, 2004

By



John Cigler

Its Attorney

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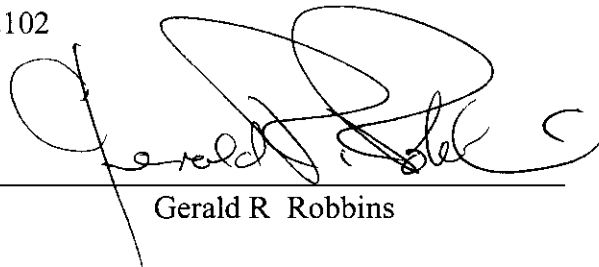
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CERTIFICATE OF SERVICE

The undersigned, an employee of Garvey Schubert Barer, hereby certifies that on
May 24, 2004 the foregoing document was sent by U.S. Mail, postage prepaid, to the following:

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